

STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

IN RE:

INTERSTATE POWER AND LIGHT
COMPANY, MIDAMERICAN ENERGY
COMPANY, AND BLACK HILLS/IOWA
GAS UTILITY COMPANY, LLC, d/b/a
BLACK HILLS ENERGY

DOCKET NOS. EEP-2012-0001
EEP-2012-0002
& EEP-2013-0001

NET-TO-GROSS PLAN

The Non-Unanimous Partial Settlement Agreement (“Settlement”) in the above-captioned dockets contained a provision for conducting a collaborative review of net-to-gross. On November 25, 2015, OCA filed the Net-to-Gross Report (“Report”) prepared by Navigant Consulting, Inc. (“Navigant”). On December 21, 2015, the Iowa Utilities Board (“Board”) requested additional comments from the parties. Following the filing of those comments, the Board issued an order on April 8, 2016 requiring the parties to submit a net-to-gross research plan (“NTG Plan”) on June 15, 2016. On June 15, 2016, OCA requested an extension of time until September 1, 2016 to allow coordination of the NTG plan with the hiring of a consultant to perform the assessment of potential for the 2019-2023 five-year plan.

OCA, in consultation with NTG Oversight Committee, which includes Interstate Power and Light Company (“IPL”), Black Hills Energy (“BHE”), MidAmerican Energy Company (“MEC”), and the Iowa Environmental Council and the Environmental Law and Policy Center (collectively “Environmental Intervenors”), hereby submits an initial proposal for a NTG Plan.

Much of the research to determine NTG values will be performed by Dunsky Energy consulting (“Dunsky”) as part of the assessment of potential being conducted to support the 2019-2023 energy efficiency plans. Accordingly, the investor-owned utilities (“IOUs”) are

coordinating individual research to be conducted as part of Evaluation, Monitoring, and Verification (“EM&V”) with the development of the NTG research to be conducted by Dunsky. Attached is a copy of the Statement of Work for the assessment of potential, which includes a description of Dunsky’s process and timeline for performing NTG research. (Attachment A). Dunsky will provide a detailed work plan for NTG research in late September, 2016. The IOUs will use the detailed work plan to finalize their plans regarding the remaining NTG research to be conducted through EM&V. The Oversight Committee will monitor the coordination of NTG research being done cooperatively and individually by the IOUs.

As NTG research is completed, the Oversight Committee will determine whether to apply a NTG value or a market adjustment for measures and programs, consistent with the recommendations in Navigant’s 2015 NTG Report. During that process, the Oversight Committee and the TRM Administrator can determine whether to report net values for programs where market-based adjustments are made. The NTG and TRM Oversight Committees will work together on implementing the research. The Oversight Committee anticipates that any NTG values will be incorporated into and reported as part of the TRM annual update process.

The Oversight Committee will also determine a schedule for periodic review of net-to-gross ratios as NTG research is completed. The recommendations in the 2015 NTG Report will serve as a starting point for this determination. Navigant recommended that primary NTG research should be conducted at least once every five years, but it may be appropriate every two to three years for certain programs such as programs that contribute large savings or operated in rapidly changing markets. Navigant noted that initial research will help guide the timing of additional research. The Oversight Committee expects that the results of the Dunsky research and any additional EM&V research on NTG will help develop a schedule of review and

additional research. The Dunsky research on energy efficiency potential will also guide this schedule, as it will inform the programs expected to contribute large savings.

The assessment of potential will be completed by the end of summer 2017. Completion of the NTG research at that time will provide ample time to incorporate NTG values or market-based adjustments into the next energy efficiency plans beginning with the 2019 plan year, and it will provide an opportunity for Board approval during the next EEP dockets.

OCA proposes the following schedule for filing additional steps in the NTG Plan:

1. On October 15, 2016, the Oversight Committee will file a copy of Dunsky's detailed work plan for NTG research.
2. On December 1, 2016, the individual IOUs will file information about any additional NTG research being conducted during EM&V.
3. On September 1, 2017, the Oversight Committee will file a copy of Dunsky's final NTG report along with recommendations about reporting net values or market-based adjustments along with a plan for periodic review of NTG values. Individual IOUs will file any information about NTG values or research that may be unique to each of them.

Respectfully submitted,

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